



California Postsecondary Education Commission

770 L Street, Suite 1160 • Sacramento, California 95814

www.cpec.ca.gov • (916) 445-1000

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Contact

Sherri Orland

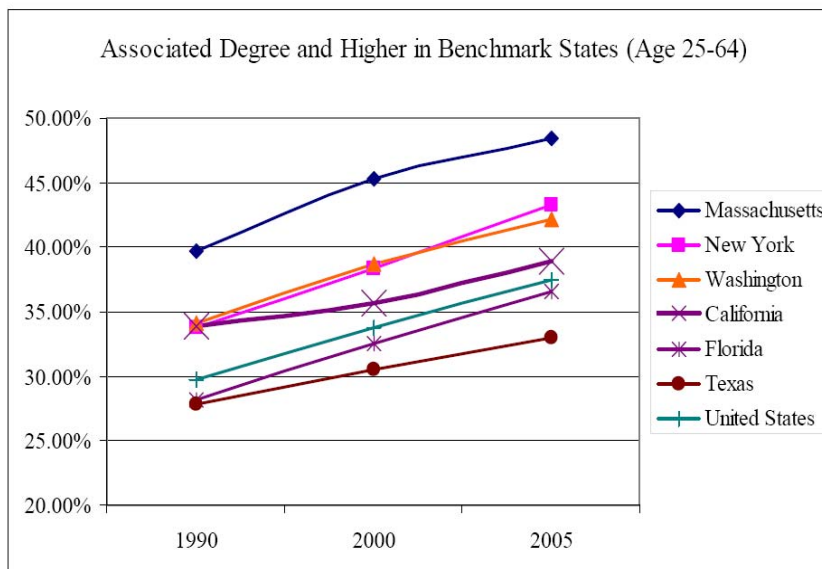
sorland@cpec.ca.gov • (916) 445-1000

State Faces College Graduate Shortage

SACRAMENTO — May 29, 2007 — The California Postsecondary Education Commission today released two reports spotlighting a growing deficit in the State's supply of college educated workers. Data show the State's colleges and universities are not producing enough graduates for all the high-wage jobs California's businesses need to fill. As a result, employers are importing thousands of college graduates each year from other states and countries. At the same time, the Commission's report finds that a large portion of the State's population lacks the education needed to fill these high-wage jobs.

California's lead in higher education is eroding:

- In 1990, California had the same percentage of college degree holders in its workforce as key competitor states New York and Washington. But by 2005, census data showed that both of these latter states had a higher percentage of workers with college degrees.
- The report also shows that between 1990 and 2005, California's college degree advantage compared to the national workforce decreased from 4.2% to 1.4%.



To make up the difference between the State's available supply of college graduates and employers' needs, California businesses are recruiting college graduates from other states and countries. For example, census data show that between 1995 and 2000, California imported about 224,000 additional bachelor's and 141,000 post-graduate degree holders into its workforce. A

large portion of these college graduates came from other countries. In its assessment of education and income, the Commission found that California's employers are paying top dollar for college graduates. California businesses pay more on average than employers in New York, Washington, Massachusetts and Florida for workers with bachelor's degrees.

There is also evidence that the need for more college graduates in California will increase. The report shows that younger California workers in-line to replace retiring baby boomers are less educated. About 41% of California's 45-64 year olds have a college degree, compared to only 38% of the 35-44 year olds, and only 36% of the 25-34 year olds.

Workforce and education experts at the state and national level have increasingly called attention to a growing need to increase the number of workers with a college education. Most recently, the Public Policy Institute of California issued a report projecting shortages in college graduates through 2025.

At its June 6, 2007, meeting, the Commission will review a series of policy options for remedying the looming gap in college educated workers within the State. Among the possible options, to be considered at that meeting, are:

- Reduce the time it takes for students to complete degree requirements by ensuring that all courses completed count towards their degree.
- Tailor special programs for older and returning students to help them earn college degrees.
- Expand the number of public colleges and universities offering a full schedule of classes on a year-round basis.
- Provide fiscal incentives that reward colleges for helping students to earn high-quality college degrees in areas of high-workforce demand.

In addition to these policy options, the Commission has launched a new Internet service the ***School to Employment Pathways System*** (STEPS) to help expedite the ability of California employers to find the workers they need graduating from California colleges.

Executive Director Murray J. Haberman said, "The Commission is excited to provide a tool to Californians which enhances student choices for a career, as well as enabling employers to target their recruiting efforts. This can only have a positive impact on California's economy." He also noted, "The Commission's work in improving the nexus between postsecondary education and the workforce is setting a national standard and strategy for improving educational outcomes."

The Commission's reports are part of an on-going performance and accountability framework for public higher education initiated last year. The reports can be viewed or downloaded at the following Internet addresses:

Educational Attainment of Population - http://www.cpec.ca.gov/Agendas/Agenda0706/Item_11.pdf

Per Capita Income by Educational Attainment - http://www.cpec.ca.gov/Agendas/Agenda0706/Item_12.pdf

STEPS can be found at: <http://www.cpec.ca.gov/Accountability/Steps.asp>.

The Commission website is at <http://www.cpec.ca.gov>.

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The California Postsecondary Education Commission advises the Governor and Legislature on higher education policy and fiscal issues. The Commission's primary focus is to ensure that the state's educational resources are used effectively to provide Californians with postsecondary education opportunities.